STATEMENT OF PURPOSE

RS20637

The Hire One Act is aimed at advancing the goals of the Project 60 Initiative. It reflects the priorities of taxpayers and reinforces the reputation and reality of Idaho's jobs-friendly environment by encouraging Idaho businesses to reinvest in personnel and recruiting new enterprises with rewards for creating more career opportunities in Idaho communities. It sets three levels of qualification for refundable income tax credits based on how each employer is rated by the Department of Labor for payment of unemployment insurance taxes. Positive-rated employers adding an employee would get a refundable tax credit equal to six percent (6%) of that new employee's gross annual wages. Standard-rated employers would get a refundable tax credit equal to four percent (4%) of the new employee's gross annual wages. Deficit-rated employers would get a refundable tax credit equal to two percent (2%) of the new employee's gross annual wages. The Hire One Act also focuses its encouragement on the hardest-hit areas by setting a $15.00/hour minimum qualifying wage in counties with less than ten percent (10%) unemployment, and a $12.00/hour minimum qualifying wage in counties with ten percent (10%) or greater unemployment.

This legislation will sunset on December 31, 2013.

FISCAL NOTE

The Department of Labor and Division of Financial Management report that the legislation could draw an estimated $7.9 million per year from the general fund while helping to generate an estimated $25.3 million in state tax revenue.

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